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NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC INC. REPORTS FINANCIAL RESULTS FOR FIRST QUARTER OF 2011

--Grew Revenues 10% Year-Over-Year; Tissue Business Now Cash Flow Positive--

--Advanced Reducer™ COSIRA Trial for Refractory Angina--

--Initiates New Product Development Program for Treating Mitral Valve Disease--

Vancouver, BC, Canada - June 20, 2011 - Neovasc Inc. (TSXV: NVC), today announced financial results for the three months ended March 31, 2011 and advances in its product development programs.

"Neovasc continued to achieve good progress in all of our programs in the first three months of 2011, including our tissue products business, the COSIRA trial of our Reducer™ product for refractory angina, and new program initiatives for treating mitral valve disease now underway," noted Alexei Marko, CEO of Neovasc. "We reported solid revenue growth in our tissue products and services business, which was cash flow positive for the quarter, and we look forward to continued growth in this business as more of our customers' devices progress towards commercialization."

Mr. Marko added, "We are pleased with the continued progress toward commercializing our Reducer product for treating refractory angina. We added a number of new clinical trial centres to the COSIRA trial with several additional sites expected to start over the next quarter, which is expected to further boost patient enrollment. At the EuroPCR 2011 conference in May, we reported excellent results from the patient featured during a live case at the 2010 TCT meeting, who has demonstrated a marked improvement in her angina and functional scores as well as objective measures of myocardial ischemia since receiving the Reducer. We remain very optimistic that the Reducer may provide a valuable treatment option for the large population of patients who suffer from refractory angina, a currently untreatable condition. We look forward to completing the COSIRA trial and initiating the process to obtain CE mark approval for the product, which would allow us to begin initial sales in the European market in 2012."

Separately, Neovasc reported that it has initiated a new product development program to develop novel solutions to treat mitral valve regurgitation (MR). MR is a debilitating condition in which the mitral valve of the heart does not close properly, allowing blood to leak back through the valve. The condition is often severe and can lead to heart failure or death. An estimated 600,000 new patients are diagnosed each year with mitral valve regurgitation in the U.S. and Europe, and the incidence is expected to rise as the population continues to age. Conventional surgical treatments are appropriate for only about 20% of these patients, leaving the majority untreated. It is estimated that there currently are more than two million patients in the U.S. with untreated MR.

Mr. Marko commented "With our tissue business now operating at cash flow positive, we have been able to dedicate increased resources to our pipeline projects, and in particular to initial activities to develop a novel solution to treat MR. MR is a serious condition that is significantly more complex to treat than aortic valve disease. It requires development of highly specialized devices to address the complex anatomy of the mitral apparatus while not adversely affecting the surrounding cardiac structures. We believe that Neovasc is ideally positioned to develop new technologies to address MR, and we are encouraged by the promising results of our initial product development work and animal implantation studies. We look forward to ramping up activities on this project over the coming months."

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Results of Operations
Results for the three months ended March 31, 2011 and 2010 follow:

Loss
The loss for the three months ended March 31, 2011 was $973,454 or $0.02 basic loss per share, as compared with a loss of $472,236 or $0.02 basic loss per share for the comparable period in 2010. The significant increase in the loss incurred in 2011 as compared to 2010 can be substantially explained by an increase in product development and clinical trial activities of $99,683 and an increase in non-cash share-based payments for the quarter of $410,036. While the actual number of share-based awards was similar in the first three months of 2010 and 2011, the valuation of those awards has increased as a result of an increase in the Company's share price.

Revenues
Revenues increased 10% year-over-year to $1,169,920 for the three months ended March 31, 2011 from $1,065,841 for the same period in 2010.

Product sales for the three months ended March 31, 2011 were $550,681, compared to $377,476 in the same period of 2010, representing an increase of 46% as sales of Neovasc's tissue products continued to grow at a steady rate.

Contract manufacturing revenues decreased from $360,486 in the first three months of 2010 to $290,251 in the comparable period in 2011, a decrease of 19%. The company anticipates this revenue stream may increase in the future as customers' products are commercialized, but also expects that it will continue to be unpredictable due to the uncertainty of customers' product development timelines.

Revenue from consulting services for the three months ended March 31, 2011 were essentially flat at $328,988, compared to $327,879 in the same period in 2010. Because consulting service revenues are contract-driven, they can fluctuate from quarter to quarter as current projects are completed and new projects start. The Company believes that the underlying trend is for moderate year-over-year growth in its consulting service business.

Cost of Sales
The cost of sales for the three months ended March 31, 2011 was $665,776, as compared to $587,359 in the comparable period in 2010. The overall gross margin for the first quarter of 2011 was 43% compared to the 45% gross margin in the same period in 2010.

The decline in gross margins for the first quarter of 2011 can be substantially explained by the impact of exchange rates. In the three months ended March 31, 2011, 35% of the Company's sales were set in U.S. and European Union currencies. A strengthening Canadian dollar has impacted the revenues and margins generated from these foreign currency-denominated sales. Neovasc is exploring a number of initiatives aimed at strengthening margins going forward, including implementing further manufacturing efficiencies, reviewing pricing strategies for certain products and focusing on expanding sales of higher margin product lines such as custom tissue for transcatheter heart valves and related manufacturing services.

Expenses
Total expenses for the three months ended March 31, 2011 were $1,443,840, as compared to $909,365 for the same period in 2010, representing an increase of $534,475 or 59%. Of this increase, $413,661, or 77%, can be explained by an increase in non-cash share-based payments, as discussed in the "Loss" section above. Net of these non-cash share-based payments, total expenses increased $120,814 between the comparable periods in 2010 and 2011.

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Sales and marketing expenses were $47,246 for the three months ended March 31, 2011, as compared to $44,891 for the same period in 2010, representing a small increase of 5%. The Company maintains relatively constant and minimal sales and marketing costs while it focuses on growing its business-to-business revenue streams.

General and administrative expenses were $938,730 for the three months ended March 31, 2011 as compared to $506,293 for the same period of 2010, representing an increase of 85%. The $432,437 increase in general and administrative expenses in the first quarter was principally due to an increase non-cash share-based payments of $402,079, as discussed in the "Loss" section above.

Product development and clinical trial expenses were $457,864 for the three months ended March 31, 2011 as compared to $358,181 for the same period of 2010, representing an increase of 28%. The increase in year-over-year research and development costs is principally due to increased investment in the COSIRA clinical trial.

Liquidity and capital resources

The Company finances its operations and capital expenditures with cash generated from operations, lines of credit, long-term debt and equity financings. At March 31, 2011, the Company had cash and cash equivalents of $1,252,497, as compared to cash and cash equivalents of $1,489,027 at December 31, 2010. In addition, at March 31, 2011 the Company had restricted cash related to a security on long-term debt of $50,000 (December 31, 2010: $50,000) included in long-term assets and a bank overdraft facility of $191,721 (December 31, 2010: $213,280) included in current liabilities.

At March 31, 2011 the Company had working capital of $1,391,805 as compared to working capital of $1,752,712 at December 31, 2010. The decrease in working capital during the first quarter of 2011 was predominantly due to the net impact of a decrease in cash used to fund operations during the quarter; a decrease in accounts receivable, due to lower sales in the first quarter of 2011 as compared to the fourth quarter of 2010 and better than expected collections from customers during the quarter; an increase in inventory, as levels of tissue work-in-progress increased to more normal levels after the year-end; and a small increase in accounts payable and accrued liabilities.

Cash used in operating activities was $274,918 for the three months ended March 31, 2011, as compared to $826,476 for the same period in 2010. The decrease in the cash used during this period is principally due to the reduction in working capital requirements between the two periods. In the first quarter of 2010 working capital items absorbed cash of $503,595, while in the first quarter of 2011 working capital items generated $145,669 in cash.

Net cash invested in capital assets was $87,892 for the three months ended March 31, 2011 compared to $30,855 in 2010. In the first quarter of 2011 the Company invested capital to expand its clean room and manufacturing facilities to include a valve assembly room.

Net cash provided by financing activities was $126,280 for the three months ended March 31, 2011, compared to cash provided of $1,523,429 in the same period of 2010. On February 19, 2010, the Company completed a non-brokered private placement of 5,691,658 units at the price of $0.27 per unit for aggregate gross proceeds of $1,536,748. Each unit consists of one common share of Neovasc stock and one-half of one common share purchase warrant of Neovasc stock. Each whole warrant entitled the holder thereof to purchase one common share of Neovasc stock at the exercise price of $0.40 per share for a period of one-year after the closing date of the offering. Share issue costs were $22,015. On January 17, 2011 and February 15, 2011, the Company issued 197,922 and 128,371 common shares, respectively, upon the exercise of warrants issued as part of the Company's February 2010 financing. Proceeds from the exercise of the 326,293 warrants amounted to $130,517. In addition, proceeds from the exercise of stock options amounted to $26,598 for the first quarter of 2011.

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Neovasc Inc.

Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in Canadian dollars)

	March 31, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current assets			
Cash and cash equivalents	**$ 1,252,497**	$ 1,489,027	$ 298,265
Accounts receivable	**477,974**	661,999	442,540
Inventory	**557,453**	469,744	404,309
Prepaid expenses and other assets	**25,217**	33,729	15,771
Total current assets	**2,313,141**	2,654,499	1,160,885
Non-current assets			
Property, plant and equipment	**1,291,434**	1,224,481	1,249,326
Restricted cash equivalents	**50,000**	50,000	50,000
Total non-current assets	**1,341,434**	1,274,481	1,299,326
Total assets	**$ 3,654,575**	$ 3,928,980	$ 2,460,211
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdraft	**$ 191,721**	$ 213,280	$ 186,897
Accounts payable and accrued liabilities	**688,718**	647,877	962,512
Current portion of long-term debt	**40,897**	40,630	39,978
Total current liabilities	**921,336**	901,787	1,189,387
Non-current liabilities			
Long-term debt	**309,329**	318,872	357,097
Total non-current liabilities	**309,329**	318,872	357,097
Total liabilities	**1,230,665**	1,220,659	1,546,484
Equity			
Share capital	**65,056,791**	64,841,468	60,648,625
Contributed surplus	**5,335,810**	4,862,090	4,630,337
Deficit	**(67,968,691)**	(66,995,237)	(64,365,235)
Total equity	**2,423,910**	2,708,321	913,727
Total liabilities and equity	**$ 3,654,575**	$ 3,928,980	$ 2,460,211

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Interim Consolidated Statements of Comprehensive Loss (Unaudited)

For the three months ended March 31,
(Expressed in Canadian dollars)

	2011	2010
SALES		
Product sales	**$ 550,681**	$ 377,476
Contract manufacturing	**290,251**	360,486
Consulting services	**328,988**	327,879
	1,169,920	1,065,841
COST OF GOODS SOLD	**665,776**	587,359
GROSS PROFIT	**504,144**	478,482
EXPENSES		
Selling expenses	**47,246**	44,891
General and administration expenses	**938,730**	506,293
Product development and clinical trials expenses	**457,864**	358,181
	1,443,840	909,365
Operating Loss	**(939,696)**	(430,883)
OTHER INCOME (EXPENSES)		
Interest income	**115**	114
Interest on long-term debt	**(3,009)**	(2,338)
Loss on foreign exchange	**(30,864)**	(39,129)
	(33,758)	(41,353)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (973,454)**	$ (472,236)
LOSS PER SHARE		
Basic and diluted loss per share	**$ (0.02)**	$ (0.02)

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Interim Consolidated Statements of Cash Flows (Unaudited)

For the three months ended March 31,
(Expressed in Canadian dollars)

	2011	2010
OPERATING ACTIVITIES		
Loss for the period	**$ (973,454)**	$ (472,236)
Adjustments for:		
Depreciation	**20,939**	27,463
Share-based payments	**531,928**	121,892
Interest income	**(115)**	(114)
Interest expense	**3,009**	2,338
	(417,693)	(320,657)
Net change in non-cash working capital items:		
Accounts receivable	**184,025**	(172,370)
Inventory	**(87,709)**	(111,887)
Prepaid expenses and other assets	**8,512**	(24,840)
Accounts payable and accrued liabilities	**40,841**	(194,498)
	145,669	(503,595)
Interest received and paid:		
Interest received	**115**	114
Interest paid	**(3,009)**	(2,338)
	(2,894)	(2,224)
	(274,918)	(826,476)
INVESTING ACTIVITIES		
Purchase of property and equipment	**(87,892)**	(30,855)
	(87,892)	(30,855)
FINANCING ACTIVITIES		
(Decrease) Increase in bank overdraft	**(21,559)**	18,643
Repayment of long-term debt	**(9,276)**	(9,947)
Proceeds from share issue, net of costs of $22,015	**-**	1,514,733
Proceeds from exercise of warrants	**130,517**	-
Proceeds from exercise of stock options	**26,598**	-
	126,280	1,523,429
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(236,530)**	666,098
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	**1,489,027**	298,265
CASH AND CASH EQUIVALENTS, END OF THE YEAR	**$ 1,252,497**	$ 964,363
REPRESENTED BY:		
Cash	**1,250,190**	962,523
Cashable guaranteed investment certificate	**2,307**	1,840
Total cash and cash equivalents	**$ 1,252,497**	$ 964,363

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About Neovasc Inc.
Neovasc Inc. is a specialty vascular device company that develops, manufactures and markets medical devices for the rapidly growing vascular and surgical marketplace. The company's current products include the Neovasc Reducer™, a novel product in development to treat refractory angina, as well as a line of advanced biological tissue technologies that are used to enhance surgical outcomes and as key components in a variety of third-party medical products such as percutaneous heart valves. For more information, visit: www.neovasc.com.

Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words "anticipates," "believes," "may," "continues," "estimates," "expects," and "will" and words of similar import, constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; history of losses and lack of and uncertainty of revenues, ability to obtain required financing, receipt of regulatory approval of product candidates, ability to properly integrate newly acquired businesses, technology changes; competition; changes in business strategy or development plans; the ability to attract and retain qualified personnel; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors referenced in the Company's filings with Canadian securities regulators. Although the Company believes that expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to the future results, approvals or achievements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update any forward-looking statements except as otherwise required by applicable law.

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